

(This table was given to PM
in October).

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David

for

Total intervention

May 1979 to Nov 1986
was (on my sums) about
-\$1 billion.

I guess Peter's point
must have been from
1980 Q2 to present, which
was to -\$7 billion (to my
surprise). But somewhat
selective — intervention matches
↑ in X.R.
81Q1

Mkt/off mkt point is down
over this period!

Mkt	+4 1/2
Off	-11 1/2
TA	-7

Alan

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CHANGES IN THE RESERVES (SPOT AND FORWARD) 1979-1986

(\$ million)

	<u>Market</u>	<u>Off-market</u>	<u>Total intervention</u>	<u>Net borrowing</u>	<u>Total change in reserves before revaluation</u>	<u>Revaluation</u>
1979	+5,180	- 750	+4,430	-1,730	+2,700	+4,490
1980	+2,020	+1,660	+3,680	-2,200	+1,480	+2,900
1981	-1,450	+ 50	-1,400	-3,280	-4,680	- 260
1982	-1,130	-1,350	-2,480	- 580	-3,060	-4,220
1983	+1,870	-2,600	- 730	+ 190	- 540	+1,050
1984	+2,050	-3,160	-1,110	- 100	-1,210	- 980
1985	+1,270	-1,960	- 690	+3,020	+2,330	-2,110
<u>1986 Jan-Sept</u>	<u>+1,836</u>	<u>-1,130</u>	<u>+ 698</u>	<u>+3,866</u>	<u>+4,564</u>	<u>+2,505</u>
1986 Jan-Nov	+1789	-1962	- 173			

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CHANGES THE LEVEL OF THE RESERVES (SPOT AND FORWARD) 1979-SEPT.1986)

\$ million

	Market	Off-Market	Total intervention	Net borrowing	*Total change in reserves	UK official spot reserves (at end period)	Sterling exchange rate index (1975=100)
1979 Q1	+2375	- 184	+2191	+ 128	+6825	21,947	82.4
Q2	+ 888	+1002	+1890	- 369	+1521	22,070	87.0
Q3	+1224	- 105	+1119	- 365	+ 754	22,692	91.3
Q4	- 166	- 305	- 471	- 239	- 710	22,538	88.5
1980 Q1	+ 417	+1626	+2043	- 436	+5716	26,963	93.0
Q2	+ 805	+ 2	+ 807	- 179	+ 628	28,172	94.5
Q3	+ 378	+ 224	+ 602	-1116	- 514	27,637	96.7
Q4	+ 420	- 191	+ 229	- 613	- 384	27,476	100.2
1981 Q1	+ 398	+ 382	+ 780	+ 77	+1541	28,212	101.8
Q2	- 313	- 452	- 765	-2597	-3362	25,631	97.8
Q3	-1316	+ 145	-1171	- 796	-1967	23,696	90.6
Q4	- 246	+ 9	- 237	- 32	- 269	23,347	89.7
1982 Q1	+ 122	- 21	+ 101	+ 106	-4139	18,969	91.2
Q2	+ 99	-1607	-1508	- 175	-1683	17,703	90.3
Q3	+ 569	- 23	+ 546	+ 129	+ 675	18,299	91.5
Q4	-1413	- 208	-1621	- 340	-1961	16,997	89.1
1983 Q1	- 183	- 691	- 874	- 2	+ 427	17,337	80.5
Q2	+1094	- 728	+ 366	+ 11	+ 377	17,711	84.3
Q3	+ 709	- 550	+ 159	+ 64	+ 223	17,902	84.9
Q4	+ 250	- 632	- 382	+ 173	- 209	17,817	83.2
1984 Q1	+ 764	- 998	- 234	+ 174	- 856	16,749	81.7
Q2	+ 321	- 783	- 462	- 744	-1206	15,505	79.8
Q3	+ 201	- 739	- 538	+ 83	- 455	15,260	78.0
Q4	+ 764	- 635	+ 129	+ 391	+ 520	15,694	75.1
1985 Q1	+ 409	- 682	- 273	+ 204	-2039	13,528	72.1
Q2	+ 987	- 212	+ 775	+ 245	+1020	14,318	78.9
Q3	+ 351	- 423	- 72	+ 104	+ 32	14,176	82.1
Q4	- 473	- 641	-1114	+2500	+1386	15,543	79.8
1986 Q1	+ 431	+ 91	+ 522	+2863	+3385	18,750	75.1
Q2	+1440	- 747	+ 693	- 247	+ 446	19,188	76.0
Q3	- 35	- 482	- 517	+3755	+3238	22,426	71.9
Oct+Nov	- 47	- 824	- 871				

Memo items

* including off-Market valuation changes (Q1)

- (1) Total intervention May 1979 (election) to December 1985 amounts to -\$876 million (Market: +\$7131 million)
- (2) Total intervention 1981 to 1985 amounts to - \$6395 million (Market: +\$3094)
- (3) Total intervention June 1983 (present Ch/Ex came to office) to September 1986 amounts to -\$1314 million (Market: +\$6119 million).

On
 Off
 Tot
 Oct -466 -533 -999
 Nov +419 -291 +128
 -47 -824 -871